

1 HIGHER EDUCATION

2
3
4 EXECUTIVE BUDGET BILL
5

6 A bill to make appropriations for the state institutions of
7 higher education and certain state purposes related to education
8 for the fiscal year ending September 30, 2008; to provide for the
9 expenditures of those appropriations; and to prescribe the powers
10 and duties of certain state departments, institutions, agencies,
11 employees, and officers.

12
13 THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

14 PART 1

15 LINE-ITEM APPROPRIATIONS

16 Sec. 101. Subject to the conditions set forth in this bill,
17 the amounts listed in this part are appropriated for higher
18 education for the fiscal year ending September 30, 2008, from the
19 funds indicated in this part. The following is a summary of the
20 appropriations in this part:

21 HIGHER EDUCATION

22 APPROPRIATION SUMMARY:

23	Full-time equated classified positions	1.0	
24	GROSS APPROPRIATION.....	\$	852,644,400
25	Interdepartmental grant revenues:		
26	Total interdepartmental grants and intradepartmental		
27	transfers		0
28	ADJUSTED GROSS APPROPRIATION.....	\$	852,644,400
29	Federal revenues:		
30	Total federal revenues		6,000,000
31	Special revenue funds:		
32	Total local revenues		0

1	Total private revenues.....	0
2	Total other state restricted revenues.....	125,800,000
3	State general fund/general purpose.....	\$ 720,844,400
4	Sec. 102. CENTRAL MICHIGAN UNIVERSITY	
5	Operations.....	<u>\$ 84,443,300</u>
6	GROSS APPROPRIATION.....	\$ 84,443,300
7	Appropriated from:	
8	Special revenue funds:	
9	Michigan merit award trust fund.....	538,400
10	State general fund/general purpose.....	\$ 83,904,900
11	Sec. 103. EASTERN MICHIGAN UNIVERSITY	
12	Operations.....	<u>\$ 80,122,900</u>
13	GROSS APPROPRIATION.....	\$ 80,122,900
14	Appropriated from:	
15	State general fund/general purpose.....	\$ 80,122,900
16	Sec. 104. FERRIS STATE UNIVERSITY	
17	Operations.....	<u>\$ 51,296,200</u>
18	GROSS APPROPRIATION.....	\$ 51,296,200
19	Appropriated from:	
20	State general fund/general purpose.....	\$ 51,296,200
21	Sec. 105. GRAND VALLEY STATE UNIVERSITY	
22	Operations.....	<u>\$ 66,417,600</u>
23	GROSS APPROPRIATION.....	\$ 66,417,600
24	Appropriated from:	
25	Special revenue funds:	
26	Michigan merit award trust fund.....	5,000,000
27	State general fund/general purpose.....	\$ 61,417,600
28	Sec. 106. LAKE SUPERIOR STATE UNIVERSITY	
29	Operations.....	<u>\$ 13,251,600</u>

1	GROSS APPROPRIATION.....	\$	13,251,600
2	Appropriated from:		
3	State general fund/general purpose.....	\$	13,251,600
4	Sec. 107. MICHIGAN TECHNOLOGICAL UNIVERSITY		
5	Operations.....	\$	<u>50,449,800</u>
6	GROSS APPROPRIATION.....	\$	50,449,800
7	Appropriated from:		
8	State general fund/general purpose.....	\$	50,449,800
9	Sec. 108. NORTHERN MICHIGAN UNIVERSITY		
10	Operations.....	\$	<u>47,559,400</u>
11	GROSS APPROPRIATION.....	\$	47,559,400
12	Appropriated from:		
13	State general fund/general purpose.....	\$	47,559,400
14	Sec. 109. OAKLAND UNIVERSITY		
15	Operations.....	\$	<u>53,719,200</u>
16	GROSS APPROPRIATION.....	\$	53,719,200
17	Appropriated from:		
18	Special revenue funds:		
19	Michigan merit award trust fund.....		1,941,800
20	State general fund/general purpose.....	\$	51,777,400
21	Sec. 110. SAGINAW VALLEY STATE UNIVERSITY		
22	Operations.....	\$	<u>29,596,400</u>
23	GROSS APPROPRIATION.....	\$	29,596,400
24	Appropriated from:		
25	Special revenue funds:		
26	Michigan merit award trust fund.....		2,019,800
27	State general fund/general purpose.....	\$	27,576,600
28	Sec. 111. UNIVERSITY OF MICHIGAN - DEARBORN		
29	Operations.....	\$	<u>26,093,000</u>

1	GROSS APPROPRIATION.....	\$	26,093,000
2	Appropriated from:		
3	State general fund/general purpose.....	\$	26,093,000
4	Sec. 112. UNIVERSITY OF MICHIGAN - FLINT		
5	Operations.....	\$	<u>22,058,300</u>
6	GROSS APPROPRIATION.....	\$	22,058,300
7	Appropriated from:		
8	State general fund/general purpose.....	\$	22,058,300
9	Sec. 113. WESTERN MICHIGAN UNIVERSITY		
10	Operations.....	\$	<u>115,698,300</u>
11	GROSS APPROPRIATION.....	\$	115,698,300
12	Appropriated from:		
13	State general fund/general purpose.....	\$	115,698,300
14	Sec. 114. SUPPLEMENTAL PAYMENT		
15	One-time supplemental payment	\$	<u>28,412,600</u>
16	GROSS APPROPRIATION.....	\$	28,412,600
17	Appropriated from:		
18	State general fund/general purpose.....	\$	28,412,600
19	Sec. 115. STATE AND REGIONAL PROGRAMS		
20	Full-time equated positions1.0		
21	Higher education database modernization and		
22	conversion--1.0 FTE position	\$	200,000
23	Midwestern higher education compact.....		<u>90,000</u>
24	GROSS APPROPRIATION.....	\$	290,000
25	Appropriated from:		
26	State general fund/general purpose.....	\$	290,000
27	Sec. 116. MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA		
28	PARKS PROGRAM		
29	Select student supportive services.....	\$	1,956,100

1	Michigan college/university partnership program.....	586,800
2	Morris Hood, Jr. educator development program.....	<u>148,600</u>
3	GROSS APPROPRIATION.....	\$ 2,691,500
4	Appropriated from:	
5	State general fund/general purpose.....	\$ 2,691,500
6	Sec. 117. GRANTS AND FINANCIAL AID	
7	State competitive scholarships.....	\$ 34,130,500
8	Michigan work-study program.....	7,326,300
9	Part-time independent student program.....	2,653,300
10	Michigan education opportunity grants.....	2,084,200
11	Robert C. Byrd honors scholarship program.....	1,500,000
12	Nursing scholarship and grant programs.....	4,250,000
13	Michigan merit award program.....	60,000,000
14	Michigan promise grant program.....	43,500,000
15	Tuition incentive program.....	21,100,000
16	Children of veterans tuition grant program.....	1,000,000
17	Project gear-up.....	<u>3,000,000</u>
18	GROSS APPROPRIATION.....	\$ 180,544,300
19	Appropriated from:	
20	Federal revenues:	
21	Higher education act of 1965, title IV, 20 USC.....	1,500,000
22	Higher education act of 1965, title IV, part A.....	1,500,000
23	United States department of education, office of	
24	elementary and secondary education, gear-up	3,000,000
25	Special revenue funds:	
26	Michigan merit award trust fund.....	114,100,000
27	Michigan higher education assistance authority	
28	operating fund	1,200,000
29	Contributions to children of veterans tuition grant	

1	program	1,000,000
2	State general fund/general purpose.....	\$ 58,244,300

3

4 PART 2

5 PROVISIONS CONCERNING APPROPRIATIONS

6 GENERAL SECTIONS

7 Sec. 201. Pursuant to section 30 of article IX of the state
8 constitution of 1963, total state spending from state resources
9 under part 1 for fiscal year 2007-2008 is \$846,644,400.00 and state
10 spending from state resources to be paid to local units of
11 government for fiscal year 2007-2008 is \$3,759,100.00. The
12 itemized statement below identifies the estimated appropriations
13 from which spending to local units of government will occur:

14	Part-time independent student program.....	\$ 1,255,700
15	Michigan education opportunity grant.....	932,900
16	Michigan work-study.....	<u>1,570,500</u>
17	TOTAL.....	\$ 3,759,100

18 Sec. 202. The appropriations authorized under this bill are
19 subject to the management and budget act, 1984 PA 431, MCL 18.1101
20 to 18.1594.

21 Sec. 208. Unless otherwise specified, the institutions of
22 higher education receiving appropriations in part 1 shall use the
23 Internet to fulfill the reporting requirements of this bill. This
24 requirement may include transmission of reports via electronic mail
25 to the recipients identified for each reporting requirement, or it
26 may include placement of reports on an Internet or Intranet site.

27 Sec. 209. Funds appropriated in part 1 shall not be used for
28 the purchase of foreign goods or services, or both, if
29 competitively priced and of comparable quality American goods and

1 services, or both, are available. Preference should be given to
2 goods or services, or both, manufactured or provided by Michigan
3 businesses if they are competitively priced and of comparable
4 value.

5 Sec. 212. (1) The funds appropriated in part 1 to state
6 institutions of higher education, except for the one-time
7 supplemental payment, shall be paid out of the state treasury and
8 distributed by the state treasurer to the respective institutions
9 in 11 monthly installments on the sixteenth of each month, or the
10 next succeeding business day, beginning with October 16, 2007.
11 Each institution shall accrue its July and August 2008 payments to
12 its institutional fiscal year ending June 30, 2008.

13 (2) The funds appropriated in part 1 to state institutions of
14 higher education for the one-time supplemental payment shall be
15 paid out of the state treasury and distributed by the state
16 treasurer to the respective institutions on October 16, 2007. Each
17 state institution of higher education shall accrue this payment to
18 its institutional fiscal year ending June 30, 2007.

19 (3) All universities receiving appropriation in part 1 shall
20 submit higher education institutional data inventory (HEIDI) data
21 and associated financial and program information requested by and
22 in a manner prescribed by the state budget director by October 15,
23 2007. If a university fails to submit HEIDI data and associated
24 financial aid program information in accordance with this reporting
25 schedule, the state treasurer shall withhold the monthly
26 installments under subsection (1) to the university until those
27 data are submitted.

28 Sec. 213. Funds received by the state from the federal
29 government or private sources for the use of a college or

1 university are appropriated for the purposes for which they are
2 provided. The acceptance and use of federal or private funds do
3 not place an obligation upon the legislature to continue the
4 purposes for which the funds are made available.

5 Sec. 214. If section 274 of the income tax act of 1967, 1967
6 PA 281, MCL 206.274, is not repealed and if a state institution of
7 higher education that receives funds under this bill notifies the
8 department of treasury regarding its tuition and fee rates in order
9 to qualify as an eligible institution for the Michigan tuition tax
10 credit under section 274 of the income tax act of 1967, 1967 PA
11 281, MCL 206.274, the institution shall also submit the
12 notification and applicable documentation of tuition and fee
13 changes to the house and senate fiscal agencies.

14 Sec. 215. A state institution of higher education that
15 receives funds under this bill shall furnish all program and
16 financial information that is required by and in a manner
17 prescribed by the state budget director or the house or senate
18 appropriations committee.

19 20 **GRANTS AND FINANCIAL AID**

21 Sec. 301. (1) Payments of the amounts included in part 1 for
22 the state competitive scholarship program shall be distributed
23 pursuant to 1964 PA 208, MCL 390.971 to 390.981.

24 (2) The Michigan higher education assistance authority shall
25 implement a proportional competitive scholarship maximum award
26 level for recipients enrolled less than full-time in a given
27 semester or term.

28 (3) If a student who receives an award under this section has
29 his or her tuition and fees paid under the Michigan educational

1 trust program, pursuant to the Michigan education trust act, 1986
2 PA 316, MCL 390.1421 to 390.1442, and still has financial need, the
3 funds awarded under this section may be used for educational
4 expenses other than tuition and fees.

5 (4) If the Michigan higher education assistance authority
6 increases the maximum award per eligible student from that provided
7 in the previous fiscal year, it shall not have the effect of
8 reducing the number of eligible students receiving awards in
9 relation to the total number of eligible applicants. Any increase
10 in the maximum grant shall be proportional for all eligible
11 students receiving awards.

12 (5) Students who receive aid under 1964 PA 208, MCL 390.971 to
13 390.981, shall be awarded scholarships on the basis of merit and
14 financial need. Veterans administration benefits shall not be
15 considered in determining eligibility under 1964 PA 208, MCL
16 390.971 to 390.981.

17 Sec. 303. (1) Included in the appropriation in part 1 is
18 funding for the Michigan work-study program established under 1986
19 PA 288, MCL 390.1371 to 390.1382, and 1986 PA 303, MCL 390.1321 to
20 390.1332. An effort should be made by each institution
21 participating in the Michigan work-study program to assure that not
22 less than 10 percent of those undergraduate, graduate, and
23 professional students eligible to participate in the program are
24 placed with for-profit employers no later than December 31 of each
25 year for which funding is provided under this bill.

26 (2) The Michigan higher education assistance authority shall
27 allocate funds to institutions eligible for work-study money based
28 upon each institution's specific Pell grant index and each

1 institution's utilization rate of work-study funds for the 3 most
2 recent years for which statistics are available.

3 (3) The Michigan higher education assistance authority shall
4 set aside not more than 5 percent of the total work-study
5 appropriation to process requests from participating institutions
6 for allocation adjustments. Allocation adjustments shall be based
7 on criteria set by the authority prior to making the allocations
8 under subsection (2).

9 Sec. 307. The auditor general may audit selected enrollments,
10 degrees, and awards at selected independent colleges and
11 universities receiving awards administered by the department of
12 treasury. The audits shall be based upon definitions and
13 requirements established by the Michigan higher education
14 assistance authority, the state budget director, and the senate and
15 house fiscal agencies. The auditor general shall accept the Free
16 Application for Federal Student Aid (FAFSA) form as the standard of
17 residency documentation. The auditor general shall submit a report
18 of findings to the senate and house appropriations committees and
19 state budget director by May 1, 2008.

20 Sec. 308. The sums appropriated in part 1 for the student
21 financial aid programs shall be paid out of the state treasury and
22 shall be distributed to the respective institutions under a
23 quarterly payment system as follows:

24 (a) For the state competitive scholarship, nursing
25 scholarship, and tuition incentive programs, 40 percent shall be
26 paid at the beginning of the state's first fiscal quarter, 40
27 percent at the beginning of the state's second fiscal quarter, 10
28 percent at the beginning of the state's third fiscal quarter, and
29 10 percent at the beginning of the state's fourth fiscal quarter.

1 (b) For the work-study program, payments shall be made in 11
2 monthly installments from October 1 to August 31 of any year.

3 (c) For the part-time independent student program and the
4 Michigan education opportunity grant program, 50 percent shall be
5 paid at the beginning of the state's first fiscal quarter, 25
6 percent at the beginning of the state's second fiscal quarter, and
7 25 percent at the beginning of the state's third fiscal quarter.

8 (d) For the Robert C. Byrd honors scholarship program, 50
9 percent shall be paid at the beginning of the state's first fiscal
10 quarter and 50 percent at the beginning of the state's second
11 fiscal quarter.

12 Sec. 309. The Michigan higher education assistance authority
13 shall determine the needs analysis criteria for students to qualify
14 for the state competitive scholarship program. To be consistent
15 with federal requirements, student wages may be taken into
16 consideration when determining the amount of the award.

17 Sec. 310. (1) The funds appropriated in part 1 for the tuition
18 incentive program shall be distributed as provided in this section
19 and pursuant to the administrative procedures for the tuition
20 incentive program of the department of treasury.

21 (2) As used in this section:

22 (a) "Phase I" means the first part of the tuition incentive
23 assistance program defined as the academic period of 80 semester or
24 120 term credits, or less, leading to an associate degree or
25 certificate.

26 (b) "Phase II" means the second part of the tuition incentive
27 assistance program which provides assistance in the third and
28 fourth year of 4-year degree programs.

29 (c) "Department" means the department of treasury.

1 (3) A person shall meet the following basic criteria and
2 financial thresholds to be eligible for tuition incentive benefits:

3 (a) To be eligible for phase I, a person shall meet all of the
4 following criteria:

5 (i) Apply for certification to the department before
6 graduating from high school or completing the general education
7 development (GED) certificate.

8 (ii) Be less than 20 years of age at the time of high school
9 graduation or GED completion.

10 (iii) Be a United States citizen and a resident of Michigan
11 according to institutional criteria.

12 (iv) Be at least a half-time student, earning less than 80
13 semester or 120 term credits at a participating educational
14 institution within 4 years of high school graduation or GED
15 certificate completion.

16 (v) Request information on filing a FAFSA.

17 (b) To be eligible for phase II, a person shall meet either of
18 the following criteria in addition to the criteria in subdivision

19 (a):

20 (i) Complete at least 56 transferable semester or 84
21 transferable term credits.

22 (ii) Obtain an associate degree or certificate at a
23 participating institution.

24 (c) To be eligible for phase I or phase II, a person must be
25 financially eligible as determined by the department. A person is
26 financially eligible for the tuition incentive program if that
27 person was Medicaid eligible for 24 months within the 36 months
28 before application. Certification of eligibility may begin in the
29 sixth grade.

1 (4) For phase I, the department shall provide payment on
2 behalf of a person eligible under subsection (3). The department
3 shall reject billings that are excessive or outside the guidelines
4 for the type of educational institution.

5 (5) For phase I, all of the following apply:

6 (a) Payments for associate degree or certificate programs
7 shall not be made for more than 80 semester or 120 term credits for
8 any individual student at any participating institution.

9 (b) For persons enrolled at a Michigan community college, the
10 department shall pay the current in-district tuition and mandatory
11 fees. For persons residing in an area that is not included in any
12 community college district, the out-of-district tuition rate may be
13 authorized.

14 (c) For persons enrolled at a Michigan public university, the
15 department shall pay lower division resident tuition and mandatory
16 fees for the current year.

17 (d) For persons enrolled at a Michigan independent, nonprofit
18 degree-granting college or university, or a Michigan federal
19 tribally controlled community college, or Focus: HOPE, the
20 department shall pay mandatory fees for the current year and a per-
21 credit payment that does not exceed the average community college
22 in-district per-credit tuition rate as reported on August 1, for
23 the immediately preceding academic year.

24 (6) A person participating in phase II may be eligible for
25 additional funds not to exceed \$500.00 per semester or \$400.00 per
26 term up to a maximum of \$2,000.00 subject to the following
27 conditions:

28 (a) Credits are earned in a 4-year program at a Michigan
29 degree-granting 4-year college or university.

1 (b) The tuition reimbursement is for coursework completed
2 within 30 months of completion of the phase I requirements.

3 (7) The department shall work closely with participating
4 institutions to develop an application and eligibility
5 determination process that will provide the highest level of
6 participation and ensure that all requirements of the program are
7 met.

8 (8) Applications for the tuition incentive program may be
9 approved at any time after the student begins the sixth grade. If a
10 determination of financial eligibility is made, that determination
11 is valid as long as the student meets all other program
12 requirements and conditions.

13 (9) Each institution shall ensure that all known available
14 restricted grants for tuition and fees are used prior to billing
15 the tuition incentive program for any portion of a student's
16 tuition and fees.

17 (10) The department shall ensure that the tuition incentive
18 program is well publicized and that potentially eligible Medicaid
19 clients are provided information on the program. The department
20 shall provide the necessary funding and staff to fully operate the
21 program.

22 (11) A person eligible for the tuition incentive program must
23 not be enrolled in an institution whose primary purpose is to
24 prepare students for ordination or appointment as a member of the
25 clergy of a church, denomination, or religious association, order,
26 or sect.

27 Sec. 311. To enable the legislature and the state budget
28 director to evaluate the appropriation needs of higher education,
29 each independent college and university shall make available to the

1 legislature or state budget director, upon request, data regarding
2 grants for the preceding, current, and ensuing fiscal years.

3 Sec. 312. From the funds appropriated in part 1 for nursing
4 scholarship and grant programs, the Michigan higher education
5 assistance authority shall administer any nursing scholarship or
6 nursing school grant programs authorized under the Michigan nursing
7 scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

8 Sec. 314. By December 1 of each year, the Michigan higher
9 education assistance authority shall submit a report to the state
10 budget director, the house and senate appropriations subcommittees
11 on higher education, and the house and senate fiscal agencies for
12 the preceding fiscal year on the children of veterans tuition grant
13 program. The report shall include, but is not limited to, the total
14 number of tuition grants paid by the authority in the preceding
15 fiscal year, the total dollar amount of those tuition grants, and
16 the number of students receiving tuition grants and the total
17 amount of those tuition grants at each eligible institution.

18 19 **STATE UNIVERSITIES**

20 Sec. 405. The funds appropriated in part 1 for higher
21 education database modernization and conversion shall be expended
22 to maintain, coordinate, and improve the higher education
23 institutional data inventory (HEIDI) established under section 1299
24 of the management and budget act, 1984 PA 431, MCL 18.1299. The
25 advisory committee established under that section shall meet
26 regularly to review data definitions and requirements in order to
27 advise the state budget director regarding changes to those
28 definitions and requirements that would result in more useful and

1 reliable data being provided to state policymakers and university
2 officials.

3 Sec. 436. If any Michigan public university increases its
4 resident undergraduate tuition and required fees from academic year
5 2006-2007 to academic year 2007-2008, that university shall
6 increase its fiscal year 2007-2008 general fund expenditures for
7 student financial aid by at least the same percentage as the
8 percentage change in resident undergraduate tuition and required
9 fees. Each public university shall report its proposed fiscal year
10 2007-2008 general fund expenditures for student financial aid
11 compared to its projected fiscal year 2006-2007 general fund
12 expenditures for student financial aid, and its projected academic
13 year 2007-2008 resident undergraduate tuition and required fee
14 changes from academic year 2006-2007, to the state budget director
15 and the house and senate appropriations subcommittees on higher
16 education by November 15, 2007.

17 Sec. 440. All universities shall submit the amount of tuition
18 and fees actually charged to a full-time resident undergraduate
19 student for academic year 2007-2008 as part of their higher
20 education institutional data inventory (HEIDI) data by August 31,
21 2007. A university shall report any revisions for any semester of
22 the reported academic year 2007-2008 tuition and fee charges to
23 HEIDI within 15 days of being adopted.

24 Sec. 461. From the amount appropriated in part 1 to Lake
25 Superior State University for operations, \$100,000.00 shall be paid
26 to Bay Mills Community College for the costs of waiving tuition for
27 North American Indians under 1976 PA 174, MCL 390.1251 to 390.1253.

28
29 **MARTIN LUTHER KING, JR. - CESAR CHAVEZ - ROSA PARKS PROGRAMS**

1 Sec. 501. (1) Included in the appropriation for each public
2 university in part 1 is funding for the Martin Luther King, Jr. -
3 Cesar Chavez - Rosa Parks future faculty program, that is intended
4 to increase the pool of minority candidates pursuing faculty
5 teaching careers in postsecondary education. Each university shall
6 apply the percentage change applicable to every university in the
7 calculation of appropriations in part 1 to the amount of funds
8 allocated to the future faculty program.

9 (2) The program shall be administered by each university in a
10 manner prescribed by the Michigan department of labor and economic
11 growth. The Michigan department of labor and economic growth shall
12 use a good faith effort standard to evaluate whether a fellowship
13 is in default.

14 Sec. 502. (1) Included in the appropriation for each public
15 university in part 1 is funding for the Martin Luther King, Jr. -
16 Cesar Chavez - Rosa Parks college day program that is intended to
17 introduce schoolchildren underrepresented in postsecondary
18 education to the potential of a college education.

19 (2) Individual program plans of each university shall include
20 a budget of equal contributions from this program, the
21 participating public university, the participating school district,
22 and the participating independent degree-granting college. College
23 day funds shall not be expended to cover indirect costs. Not more
24 than 20 percent of the university match shall be attributable to
25 indirect costs. Each university shall apply the percentage change
26 applicable to every university in the calculation of appropriations
27 in part 1 to the amount of funds allocated to the college day
28 program.

1 (3) The program shall be administered by each university in a
2 manner prescribed by the Michigan department of labor and economic
3 growth.

4 Sec. 503. (1) Included in part 1 is funding for the Martin
5 Luther King, Jr. - Cesar Chavez - Rosa Parks select student support
6 services program for developing academically and economically
7 disadvantaged student retention programs for 4-year public and
8 independent educational institutions in this state.

9 (2) An award made under this program to any 1 institution
10 shall not be greater than \$150,000.00, and the amount awarded shall
11 be matched on a 70 percent state, 30 percent college or university
12 basis.

13 (3) The program shall be administered by the Michigan
14 department of labor and economic growth.

15 Sec. 504. (1) Included in part 1 is funding for the Martin
16 Luther King, Jr. - Cesar Chavez - Rosa Parks college/university
17 partnership program between 4-year public and independent colleges
18 and universities and public community colleges, which is intended
19 to increase the number of academically and economically
20 disadvantaged students who transfer from community colleges into
21 baccalaureate programs.

22 (2) The grants shall be made under this program to Michigan
23 public and independent colleges and universities. An award to any
24 1 institution shall not be greater than \$150,000.00, and the amount
25 awarded shall be matched on a 70 percent state, 30 percent college
26 or university basis.

27 (3) The program shall be administered by the Michigan
28 department of labor and economic growth.

1 Sec. 505. (1) Included in the appropriation for each public
2 university in part 1 is funding for the Martin Luther King, Jr. -
3 Cesar Chavez - Rosa Parks visiting professors program which is
4 intended to increase the number of underrepresented minority
5 instructors in the classroom and provide role models for
6 underrepresented minority students.

7 (2) The program shall be administered by the Michigan
8 department of labor and economic growth.

9 Sec. 506. (1) Included in the appropriation in part 1 is
10 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
11 Parks initiative for the Morris Hood, Jr. educator development
12 program which is intended to increase the number of minority
13 students, especially males, who enroll in and complete K-12 teacher
14 education programs at the baccalaureate level.

15 (2) The program shall be administered by each state-approved
16 teacher education institution in a manner prescribed by the
17 Michigan department of labor and economic growth.

18 (3) Approved teacher education institutions may and are
19 encouraged to use student support services funding in coordination
20 with the Morris Hood, Jr. funding to achieve the goals of the
21 program.

22 Sec. 507. Each state institution of higher education receiving
23 funds under section 503, 504, or 506 shall notify the Michigan
24 department of labor and economic growth by April 15, 2008 as to
25 whether it will expend by the end of its fiscal year the funds
26 received under section 503, 504, or 506. Notwithstanding the award
27 limitations in sections 503 and 504, the amount of funding reported
28 as not being expended will be reallocated to the institutions that

1 intend to expend all funding received under section 503, 504, or
2 506.

4 **STUDENT PERFORMANCE REPORTING**

5 Sec. 601. (1) From the amount appropriated in part 1 for state
6 universities, the state universities shall systematically inform
7 Michigan high schools regarding the academic status of students
8 from each high school in a manner prescribed by the presidents
9 council, state universities of Michigan in cooperation with the
10 Michigan association of secondary school principals.

11 (2) The Michigan high schools shall systematically inform the
12 state universities about the use of information received under this
13 section in a manner prescribed by the Michigan association of
14 secondary school principals in cooperation with the presidents
15 council, state universities of Michigan.

16 Sec. 602. From the amount appropriated in part 1 for state
17 universities, the state universities shall inform Michigan
18 community colleges regarding the academic status of community
19 college transfer students in a manner prescribed by the presidents
20 council, state universities of Michigan in cooperation with the
21 Michigan community college association.

23 **GENERAL REPORTS AND AUDITS**

24 Sec. 701. (1) The auditor general shall review higher
25 education institutional data inventory (HEIDI) enrollment data
26 submitted by all public universities and may perform audits of
27 selected public universities if determined necessary. The review
28 and audits shall be based upon the definitions, requirements, and
29 uniform reporting categories established by the state budget

1 director and the senate and house fiscal agencies. The auditor
2 general shall submit a report of findings to the house and senate
3 appropriations committees and the state budget director no later
4 than July 1, 2008.

5 (2) Student credit hours reports shall not include the
6 following:

7 (a) Student credit hours generated through instructional
8 activity by faculty or staff in classrooms located outside
9 Michigan, with the exception of instructional activity related to
10 study-abroad programs or field programs.

11 (b) Student credit hours generated through distance learning
12 instruction for students not eligible for the institution's in-
13 state main campus resident tuition rate.

14 (c) Student credit hours generated through credit by
15 examination.

16 (d) Student credit hours generated through inmate prison
17 programs regardless of teaching location.

18 (e) Student credit hours generated in new degree programs
19 after January 1, 1975, that have not been specifically authorized
20 for funding by the legislature, except spin-off programs converted
21 from existing core programs that do all of the following:

22 (i) Represent new options, fields, or concentrations within
23 existing programs.

24 (ii) Are consistent with the current institutional role and
25 mission.

26 (iii) Are accommodated within the continuing funding base of
27 the institution.

1 (iv) Do not require a new degree level beyond that which the
2 institution is currently authorized to grant within that discipline
3 or field.

4 (v) Do not require funding from the state other than that
5 provided by the student credit hours generated within the program,
6 either before program initiation or within the first 3 years of
7 program operation.

8 (3) The auditor general shall periodically audit higher
9 education institutional data inventory (HEIDI) data as submitted by
10 the state universities for compliance with the definitions approved
11 by the HEIDI advisory committee for the HEIDI database.

12 (4) "Distance learning instruction" as used in subsection (2)
13 means instruction that occurs solely in other than a traditional
14 classroom setting where the student and instructor are in the same
15 physical location and for which a student receives course credits
16 and is charged tuition and fees. Examples of distance learning
17 instruction are instruction delivered solely through the Internet,
18 cable television, teleconference, or mail.

19 Sec. 702. The principal executive officer of each institution
20 of higher education receiving an appropriation under this bill
21 shall expend a portion of the funds appropriated to that
22 institution to make a report to the auditor general, the house and
23 senate fiscal agencies, and the state budget director within 60
24 days after the auditor general issues his or her report on the
25 operation of the institution. The institution's report shall
26 specify all of the following:

27 (a) The recommendations of the auditor general implemented by
28 the institution, including projected dates and resources required,
29 if any, to achieve compliance.

1 (b) The recommendations of the auditor general not implemented
2 by the institution or implemented by the institution as modified.

3 (c) The rationale for not implementing a recommendation of the
4 auditor general or of implementing a recommendation as modified.

5 Sec. 708. The auditor general may conduct performance audits
6 of state universities during the fiscal year ending September 30,
7 2008 as the auditor general considers necessary.

8 Sec. 709. An institution receiving funds under this bill and
9 also subject to the student right-to-know and campus security act,
10 Public Law 101-522, 104 Stat. 2381, shall make a copy of all
11 material prepared pursuant to the public information reporting
12 requirements under the crime awareness and campus security act of
13 1990, title II of the student right-to-know and campus security
14 act, Public Law 101-542, 104 Stat. 2381, available in electronic
15 Internet format on their websites.